

# MAGRATH & Co

SOLICITORS

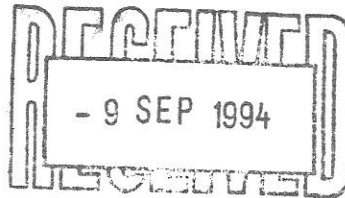
52/54 Maddox Street, London W1R 9PA  
Telephone: 071-495 3003 Fax: 071-409 1745 DX: 9009 (West End)  
Emergency Pager No: 0459 108877

Modo (Records & Tapes) Limited  
2 Rutland Park  
Sheffield  
S10 3PD

Your reference

Our Reference AG/LL/1007/9

Date 6 September 1994



Dear Sirs

**RE: ALEX PATERSON and KRISTIAN WESTON**

We refer you to the various agreements that exist between yourselves of the one part and our above clients of the other part.

Due to matters outside our client's control and which are entirely of the making of your company and its directors, we write to inform you that the various agreements entered into our clients and yourselves are hereby terminated and that as from the date hereof you are not to hold yourselves out in any way as being concerned with our client's careers either as a record company or in any other capacity.

It is not our intention at this stage to set out in full for you the matters complained of as they are well known to you and that to canvass them again in correspondence will serve no good purpose, although our clients reserve all their rights in this matter against your company and against its directors in full.

We understand that you are claiming certain monies being due to you in relation to Inter Records that is to say in relation to FFWD and Autocreation. We have seen accounts that have been submitted which frankly make no sense to us at all as they are unintelligible in the form in which they have been prepared. Furthermore, there are a number of substantial items contained in those accounts which clearly are not expenses to charge back to our clients. Accordingly, until such time as proper accounts are available, it is not our client's intention to pay your company or reimburse your company any monies whatsoever and we are taking steps as from the date hereof to ensure that all income received from RTM flows through to our clients for safe custody. In this regard, our clients are extremely perturbed to note that you have obtained a payment from RTM of £25,000 without reference to our clients, in respect of which our clients hold your company and its directors fully responsible.

#### CONSULTANTS

Alexis Grower  
Ira Levy BA\*†

\*US Visa Consultant

†Not admitted with Practising Certificate

#### PARTNERS

Chris Magrath BA\* David Ashton BA (Hons)  
Aileen Colhoun LLB M.Phil Mark Haslam MA (Cantab)  
Lesley A Kemp BA (Hons)

\*Member of the New York Bar

#### ASSOCIATE

Derek Cockle LLB (Hons)

#### ASSOCIATE OFFICE

Gibney Anthony & Flaherty  
665 Fifth Avenue  
New York NY 10022, USA

If and when proper accounting has been effected and if it be the case that our clients owe your company any money after taking into account all monies owed by your company to our clients, and any claims that our clients may have in respect of your company's activities on their behalf, then our clients will make the appropriate payment.

In the meantime would you please note the position and confirm to us that you will no longer hold yourselves out as being concerned with our client's recording career in any way. Please also note we have informed RTM of the position to ensure any moneys are safeguarded.

Please be so good as to acknowledge receipt of this letter.

Yours faithfully

*Magrath HC*

MAGRATH & CO

cc: Alex Paterson  
Kristian Weston  
David Fagence  
Ronnie Harris